

MEMORANDUM

ON

FINANCIAL PROVISIONS,
1913.

Presented to both Houses of Parliament by Command of His Majesty.



LONDON:

PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE.

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PRINTED BY

EYRE AND SPOTTISWOODE, LTD., EAST HARDING STREET, E.C.4.
PRINTERS TO THE KING'S MOST EXCELLENT MAJESTY.

1913.

Price 1d.

MEMORANDUM ON FINANCIAL PROVISIONS.

Present Irish Revenue and Expenditure.

In Command Paper No. 6486 it was estimated that the expenditure for Irish purposes in 1912-13 would be 12,381,500*l.*, and that the revenue to be derived from Ireland in that year (excluding the proceeds of the duties on motor spirit and of the duty on licences for motor cars levied in Ireland, which in accordance with section 19 (2) of the Bill were not treated as the proceeds of an Imperial tax levied in Ireland) would be 10,850,000*l.*; the expenditure was therefore estimated to exceed the revenue by 1,531,500*l.*

It is now possible to give approximate figures of revenue and expenditure in 1912-13 on the basis of the actual net receipts to the 31st March last and the Exchequer Issues to that date respectively.

The revenue was as follows:—

	£
Customs - - - - -	3,143,000
Excise - - - - -	3,240,500
Income Tax - - - - -	1,463,000
Estate Duties - - - - -	960,000
Stamps - - - - -	373,000
Miscellaneous - - - - -	144,500
Post Office - - - - -	1,320,000
Total - - - - -	10,644,000

The expenditure for Irish purposes may be divided into expenditure on services to be transferred to the Irish Government (in this memorandum called "transferred services") and expenditure on those services for which the Government of the United Kingdom will continue for the present to be responsible ("reserved services"). The cost of Irish services in 1912-13 was as follows:—

	£
Transferred Services (including Post Office) - - -	6,754,000
Reserved Services - - - - -	5,553,000
Total - - - - -	12,187,000

The excess of Irish local expenditure over the revenue contributed by Ireland was therefore 1,493,000*l.*, as compared with the estimate of 1,531,500*l.*

Further details of both revenue and expenditure are given below and in the Appendices, but it must be understood that the figures are put forward as approximate and at the present period of the year are still subject to correction.

Revenue and Expenditure Accounts.

The amount at which the Transferred Sum would have stood had the provisions of the Bill been in operation in 1912-13 may be calculated as follows (apart from any adjustments which might have been made by the Joint Exchequer Board established by the Bill):—

	£
The expenditure on the Transferred Services (including the Post Office) was - - - - -	6,754,000
Adding the surplus, which for the first three years is fixed at - - -	500,000
We have - - - - -	7,254,000
Deduct the revenue to be received by the Irish Government, viz.:—	
Post Office Revenue - - - - -	1,320,000
Irish Fee Stamps - - - - -	81,000
	1,401,000
And we have the "Transferred Sum" - - - - -	5,853,000

The Irish Government's Budget would therefore have balanced as follows :—

Revenue.	£	Expenditure.	£
Transferred Sum - - -	5,853,000	Cost of Transferred Services (including P.O.) -	6,754,000
Post Office - - -	1,320,000	Surplus - - -	500,000
Irish Fee Stamps - - -	81,000		
	<u>7,254,000</u>		<u>7,254,000</u>

The Imperial Government's receipts and expenditure on Irish account would have balanced as follows :—

Revenue.	£	Expenditure.	£
Irish Revenue (excluding Post Office and Irish Fee Stamps) - - -	9,243,000	Transferred Sum - - -	5,853,000
Deficit - - -	1,983,000	Cost of Reserved Services -	5,383,000
Total - - -	<u>£11,226,000</u>	Total - - -	<u>£11,226,000</u>

Prior Charges.

No account has been taken in these balance sheets of the "prior charges" on the Transferred Sum, since in nearly every case the transaction simply resolves itself into a payment undertaken on behalf of the Irish Government by the Imperial Government balanced exactly by a deduction from the Transferred Sum. The principal prior charges in the first year after the passing of the Act and their amounts on the basis of the 1912-13 figures are—

Salaries and Pensions charged on Consolidated Fund (sections 32 (1) and 35 (1)) - - -	£ 107,000
Lord Lieutenant's Salary (Irish Contribution under section 31 (3)) -	5,000
Other Salaries (section 32 (3)) - - -	106,000
Pensions (Civil Servants, including Officers of the Post Office) -	128,500
Pensions (Dublin Metropolitan Police) - - -	34,000
Total - - -	<u>£380,500</u>

The surplus shown in the balance sheet of the Irish Government given above is not affected by this prior charge of 380,500£, the Transferred Sum and the cost of Transferred Services being reduced equally by that amount. The Imperial Government's expenditure on Irish account is also unaltered, the total payment of 380,500£ being set off against a corresponding reduction in the Transferred Sum.

The charges on the Guarantee Fund under the Irish Land Purchase Acts which, in accordance with section 18 (1) of the Bill would be charged on the Transferred Sum, amounted in 1912-13 to 14,000£.

Cost of Reserved Services.

The principal Reserved Services and their cost in 1912-13 are—

	£
Old Age Pensions - - -	2,605,500
Charges under Land Purchase Acts - - -	711,500
National Insurance and Labour Exchanges - - -	238,000
Royal Irish Constabulary - - -	1,354,000
Collection of Revenue - - -	299,000
Lord Lieutenant and Household - - -	19,500
Other Services - - -	155,500
Total - - -	<u>5,383,000</u>

NOTES.

- (1) The charges under the Land Purchase Acts are calculated thus:—

Expenditure from Land Commission Vote on Land Purchase	£
Services - - - - -	542,500
Portion of the Ireland Development Grant forming part of the Cash Portion of the Guarantee Fund - - - - -	180,000
Salaries of Land Commissioners charged to Consolidated Fund - - - - -	9,000
	<u>£711,500</u>

(2) The expenditure on the National Health Insurance Commission, Ireland, was 145,000*l.*; on Labour Exchanges and Unemployment Insurance, 35,000*l.*; and on National Health Insurance, Special Grants, 50,000*l.* The balance of the total of 238,000*l.* was in respect of the apportionment to Ireland of part of the cost of National Health Insurance Audit Department, Joint Committee, &c.

(3) The salary of the Lord Lieutenant is 20,000*l.* and the expenses of the Household 4,500*l.* 5,000 is to be paid by the Irish Government, and the balance of 19,500*l.* is the figure shown above.

(4) The other Services are—	£
Public Works and Buildings - - - - -	47,000
Board of Trade and Mercantile Marine - - - - -	29,000
Stationery and Printing - - - - -	22,500
Valuation, &c., Survey - - - - -	17,000
Rating of Government Property - - - - -	6,000
Public Works Office - - - - -	8,500
Superannuation (Civil Departments) - - - - -	7,500

and various small charges in respect of the expenditure of the Treasury, Audit Office, Civil Service Commission, &c., in respect of the Reserved Services.

With respect to certain of the above services, arrangements may be made under the powers given by the Bill for their performance by officers of an Irish Department on behalf of the Government of the United Kingdom, with whom the responsibility would continue to rest. The remuneration of the Irish Government would not form part of the Transferred Sum, but would be made by a special payment.

Cost of Transferred Services.

Details of the Exchequer Issues in 1912-13 in respect of the Transferred Services are given in Appendix B, and the following explanations are added.

Consolidated Fund.—The only difference from the estimate given on p. 4 of Cd. 6486 is that the cost of the Courts of Justice salaries exceeded the estimate by 1,000*l.*

Payments to Local Taxation Accounts.—The payments under section 17 of the Finance Act, 1907, in respect of the Death Duties amounted to 277,500*l.*, as against the estimate of 291,000*l.* The figures on p. 5 of Cd. 6486 require no other alteration.

Voted Services.—The difference between the expenditure on Voted Services as now shown and that shown in Cd. 6486 is due partly to the reasons given on p. 3 of that paper, viz., the variation caused by savings or supplementary Votes, and partly to the fact that it has been found possible to make a more accurate division of the amounts between transferred and reserved services.

APPENDIX A.

1912-13.

	REVENUE (See heading)									
	As collected					As ascertained				
	By Budget	By Postoffice	By Contract	From other sources	Total	By Budget	By Postoffice	By Contract	From other sources	Total
Customs -	£	£	£	£	£	£	£	£	£	£
Excise -	21,000,000	3,500,000	3,500,000	—	28,000,000	20,000,000	3,100,000	3,000,000	—	26,100,000
Finance -	20,000,000	3,000,000	3,000,000	—	26,000,000	20,000,000	3,000,000	3,000,000	—	26,000,000
State, &c., duties -	21,000,000	3,500,000	3,500,000	—	28,000,000	20,000,000	3,100,000	3,000,000	—	26,100,000
Stamp -	3,000,000	3,000,000	3,000,000	—	9,000,000	3,000,000	3,000,000	3,000,000	—	9,000,000
Land Tax -	200,000	200,000	—	—	400,000	200,000	200,000	—	—	400,000
House Duty -	1,000,000	100,000	—	—	1,100,000	1,000,000	100,000	—	—	1,100,000
Income Tax -	20,000,000	3,000,000	3,000,000	—	26,000,000	20,000,000	3,000,000	3,000,000	—	26,000,000
Local Value Duties -	500,000	200,000	200,000	—	900,000	500,000	200,000	200,000	—	900,000
TOTAL REVENUE FROM TAXES - £	104,000,000	10,000,000	10,000,000	—	124,000,000	87,700,000	7,700,000	9,000,000	100,000	104,500,000
Postal Service -	15,000,000	1,000,000	100,000	—	16,100,000	17,000,000	1,000,000	100,000	—	18,100,000
Telegraph Service -	2,000,000	200,000	100,000	—	2,300,000	2,000,000	200,000	100,000	—	2,300,000
Telephone Service -	4,000,000	100,000	100,000	—	4,200,000	4,000,000	100,000	100,000	—	4,200,000
Other Revenues -	100,000	100,000	100,000	—	300,000	100,000	100,000	100,000	—	300,000
Receipts from State Canal Scheme and County Loans -	—	—	—	1,000,000	1,000,000	—	—	—	1,000,000	1,000,000
Miscellaneous -	1,000,000	100,000	100,000	1,000,000	3,100,000	1,000,000	100,000	100,000	1,000,000	3,100,000
Total Non-Tax Revenues -	20,000,000	1,400,000	1,400,000	2,000,000	24,800,000	24,000,000	2,200,000	2,400,000	2,000,000	28,600,000
ACCOMPLISH REVENUE -	124,000,000	11,400,000	11,400,000	2,000,000	140,800,000	111,700,000	9,900,000	11,400,000	2,000,000	133,000,000
Per cent -	80.00	17.67	8.00	2.00	100.00	81.75	10.00	8.00	2.00	100.00

* This small balance represents of some years and some of the items which are included from the total shown on page 2, viz. —

Total revenue - - - - - 104,000,000

Minor adjustments included by Ireland - - - - - 10,000,000

Minor adjustments included by Ireland - - - - - 10,000,000

Total on page 2

104,000,000

APPENDIX B.

EXPENDITURE ON TRANSFERRED SERVICES IN 1912-13, BASED ON THE
EXCHEQUER ISSUES IN THAT YEAR.

	£	
Consolidated Fund	118,500	
Payments to Local Taxation Accounts	1,463,000	
Voted Services—		
<i>Class I. (Public Works and Buildings):—</i>	£	
Surveys	68,500	
Rates on Government property	24,000	
Public Works and Buildings	163,000	
Railways	45,500	
Other Services	1,000	
	<hr/>	301,000
<i>Class II. (Salaries and Expenses of Civil Departments):—</i>		
Department of Agriculture, &c.	166,500	
Congested Districts Board	170,000	
Local Government Board	104,000	
Public Works Office	34,500	
Valuation, &c., Survey	21,500	
Stationery and Printing	39,000	
Chief Secretary's Office	23,500	
Registrar General's Office	20,500	
Public Record Office	7,500	
Treasury, Home Office, Audit Office, Civil Service Commission, &c.	23,500	
	<hr/>	610,500
<i>Class III. (Law and Justice):—</i>		
Law Charges, &c.	62,000	
Supreme Court, &c.	110,500	
County Court Officers	109,500	
Dublin Metropolitan Police	94,000	
Prisons	109,000	
Reformatory and Industrial Schools	106,500	
Land Law Services (Part of Land Commission Vote)	24,000	
Dundrum Criminal Lunatic Asylum, &c.	8,000	
	<hr/>	623,500
<i>Class IV. (Education, Science and Art):—</i>		
Public Education	1,711,500	
Science and Art	131,500	
Universities and Colleges	112,000	
Other Services	6,500	
	<hr/>	1,961,500
<i>Class VI. (Non-effective and Charitable Services):—</i>		
Superannuation	70,500	
Hospitals and Charities	17,000	
	<hr/>	87,500
<i>Class VII. (Miscellaneous):—</i>		
Ireland Development Grant (part of)	25,000	
Other Services	9,500	
	<hr/>	34,500
	<hr/>	3,618,500
		5,195,000
Post Office		1,559,000
		<hr/>
		£6,754,000